

# Washington State Auditor's Office

## Audit Report

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### Palouse Conservation District Whitman County

Audit Period  
January 1, 1996 through December 31, 1998

Report No. 60956

Issue Date  
January 14, 2000



Washington \_\_\_\_\_  
***State Auditor***  
\_\_\_\_\_  
Brian Sonntag

# Audit Summary

## **Palouse Conservation District Whitman County January 1, 1996 through December 31, 1998**

### ***ABOUT THE AUDIT***

This report contains the results of our triennial independent audit of the Palouse Conservation District for the period January 1, 1996, through December 31, 1998.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated the internal controls established by District management. Our work focused on specific areas that had potential for abuse and misuse of public resources.

### ***RESULTS***

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. The District's financial statements were also complete and accurate.

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# Description of the District

## **Palouse Conservation District Whitman County January 1, 1996 through December 31, 1998**

### ***ABOUT THE DISTRICT***

The Palouse Conservation District was established as the North Palouse Conservation District in 1940. The District operates under state laws applicable to a conservation district. The District is dependent on state grants. In 1998, the District had \$187,000 in revenues. The District employs two full-time employees that provide education and conservation services to the general public.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Board of Supervisors:

Chair

Jim Druffel  
Larry Cocoran  
Keith Kopf  
Mark Whitmore  
Chris Heitstuman

### ***APPOINTED OFFICIALS***

District Manager

Vicki Rosgen

### ***ADDRESS***

District

325 Northwest State Street  
Pullman, WA 99163  
(509) 332-4101

# Audit Areas Examined

## Palouse Conservation District Whitman County January 1, 1996 through December 31, 1998

In keeping with general auditing practices, we do not examine every portion of the District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years.

We did not audit how the District is addressing year 2000 issues relating to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer systems and electronic equipment cannot recognize the difference between the years 1900 and 2000. Because of the unprecedented nature of the year 2000 issue, its effects will not be determinable until the year 2000 and thereafter. Accordingly, we do not provide assurance that the District is or will be year 2000 ready.

The following areas of the District were examined during this audit period:

### **LEGAL COMPLIANCE**

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Open Public Meetings Act
- Travel reimbursements
- Legal and supported payments
- Conflict of interest
- Contracts and agreements

### **INTERNAL CONTROL**

We evaluated the following areas of the District's internal control structure:

- Cash disbursements
- Payroll
- Cash receipts

### **FINANCIAL AREAS**

In addition to the financial-related work listed in other categories, we audited the following areas:

- Cash and investments
- Overall presentation of the financial statements
- Expenditures
- Revenues

# Audit Overview

## **Palouse Conservation District Whitman County January 1, 1996 through December 31, 1998**

### ***AUDIT HISTORY***

We audit the Palouse Conservation District every three years. There were no findings issued during the last audit. We believe this reflects the District's commitment to maintain a strong financial system.

### ***CONCLUSIONS***

In the areas examined, we found the District complied with state laws and regulations and its own policies, procedures and requirements. We also found the District's financial statements were accurate and complete.

We thank District officials and personnel for their assistance and cooperation during the audit.

# Independent Auditor's Report on Compliance with State Laws and Regulations

## Palouse Conservation District Whitman County January 1, 1996 through December 31, 1998

Board of Supervisors  
Palouse Conservation District  
Pullman, Washington

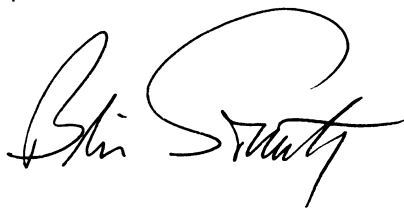
We have audited the financial statements of the Palouse Conservation District, Whitman County, Washington, as of and for the years ended December 31, 1998, 1997 and 1996, and have issued our report thereon dated September 13, 1999.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

September 13, 1999

# Independent Auditor's Report on Financial Statements

## Palouse Conservation District Whitman County January 1, 1996 through December 31, 1998

Board of Supervisors  
Palouse Conservation District  
Pullman, Washington

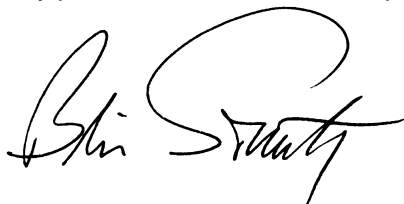
We have audited the accompanying financial statements of the Palouse Conservation District, Whitman County, Washington, for the years ended December 31, 1998, 1997 and 1996. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note B to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Palouse Conservation District for the years ended December 31, 1998, 1997 and 1996, on the cash basis of accounting described in Note B.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of State Financial Assistance are presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

September 13, 1999



# Financial Statements

**Palouse Conservation District  
Whitman County  
January 1, 1996 through December 31, 1998**

## ***FINANCIAL STATEMENTS***

Resources and Uses Arising from Cash Transaction – 1998  
Resources and Uses Arising from Cash Transaction – 1997  
Resources and Uses Arising from Cash Transaction – 1996  
Notes to the Financial Statements – 1998, 1997 and 1996

## ***ADDITIONAL INFORMATION***

Schedule of State Financial Assistance – 1998  
Schedule of State Financial Assistance – 1997  
Schedule of State Financial Assistance – 1996  
Notes to the Schedule of Financial Assistance – 1998, 1997 and 1996